

07/10/2024

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Attn: Amendments to the Abandoned Plan Program regulations interim final rules, RIN 1210-AC04

RE: Utilization of State Unclaimed Property Programs to Facilitate the Return of Uncashed Retirement Plan Distributions to Owners

As Treasurer of the State of South Dakota, I appreciate the opportunity to provide comments on the Department's request for comment regarding “whether the current Abandoned Plan Program options for distributions to State unclaimed property programs should be expanded.”¹ As the official in South Dakota responsible for unclaimed property, I strongly believe that state programs are uniquely positioned to address this critical issue and agree with the ERISA Advisory Council’s conclusion from nearly five years ago that “state unclaimed property programs have a number of features that may increase the likelihood that Missing Participants will be reunited with their lost retirement savings.”²

South Dakota has a proven track record of reuniting individuals with their unclaimed property. In the most recent fiscal year, we successfully returned 30 million dollars to rightful owners. This reflects our ongoing commitment to utilizing cutting-edge technology, proactive outreach, and robust marketing strategies to locate and return missing funds.

Nationally, state unclaimed property programs returned a record-breaking \$5 billion to owners in 2023. This success is facilitated by the user-friendly South Dakota unclaimed property website, Cash.sd.gov, and the national search platform, MissingMoney.com. In the last year alone, the national database saw 19 million searches and over one million claims filed directly through the site.

Our dedicated team of professionals tirelessly works to locate missing owners, process claims efficiently, and prevent fraud. We continually invest in advanced technology and public awareness campaigns to maximize our reach and ensure that rightful owners are reunited with their assets. See these recent news stories that highlight some of South Dakota’s efforts to reunite funds with rightful owners:

<https://southdakotasearchlight.com/briefs/noem-collects-unclaimed-property-check-at-county-gop-event/>
<https://www.keloland.com/news/local-news/how-to-find-out-if-you-have-unclaimed-property/>

¹ Pg 43648, Federal Register, Vol. 89, No. 97, Friday, May 17, 2024, Rules and Regulations

² ERISA Advisory Council Report – Voluntary Transfers of Uncashed Checks from ERISA Plans to State Unclaimed Property Programs (November 2019) at page 39.



SOUTH DAKOTA
Treasurer
— JOSH HAEDER —

Division of Unclaimed Property
500 E Capitol Ave., Suite 212
Pierre, SD 57501
www.sdtreasurer.gov
605.773.3378

In contrast to financial institutions or rollover IRA custodians, there are no issues of account fees potentially outpacing returns. Our program does not charge fees to hold or claim property, and we will honor claims in perpetuity. We also share concerns about the PBGC's record and processes related to operating and promoting a reunification program. We have a proven track record and the specialized tools, resources, and expertise to effectively reunite missing participants with their retirement funds.

Additionally, the States' Unclaimed Retirement Clearing House (SURCH) initiative that our national association - the National Association of State Treasurers - has proposed offers a streamlined, no-cost solution for active retirement plans to transfer uncashed distribution checks to state programs. This centralized reporting entity eliminates the administrative burden on plans and ensures seamless compliance with state requirements.

We believe these programs should have a much larger role to play in reuniting individuals with missing retirement funds for all plans, abandoned, terminated, or active. By leveraging the proven success and infrastructure of state unclaimed property programs, we can significantly increase the likelihood of reuniting missing participants with their retirement savings.

We urge the Department to expand the Abandoned Plan Program to allow state unclaimed property programs to serve as the primary vehicle for reuniting individuals with their uncashed distribution checks. We also encourage the Department to finalize a rule establishing a safe harbor for the voluntary transfer of uncashed distribution checks from both active and abandoned or terminated plans to state unclaimed property programs.

Thank you for the opportunity to comment on this important matter.

Sincerely,

JOS_h Haeder

Josh Haeder
South Dakota State Treasurer